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THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION

In the Matter of:)
) File No. NY-09989-A
FLEET FINANCIAL GROUP, INC.) Amended: 6/12/2019
 6/14/2019

WITNESS: Richard Yi Xia

PAGES: 1 through 320

PLACE: Securities and Exchange Commission
200 Vesey Street
New York, New York 10281

DATE: Thursday, May 30, 2019

The above entitled matter came on for hearing,
pursuant to notice, at 9:33 a.m.

Diversified Reporting Services, Inc.

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1 BY MS. HAN:

2 **Q Mr. Xia, I just want to remind you that**
3 **you're still under oath. And just for the record,**
4 **you and your attorneys didn't have any discussions**
5 **with staff during the lunch break; is that**
6 **correct?**

7 A Yes.

8 **Q And also in the prior break that we**
9 **took, we also did not have any discussions -- you**
10 **also did not have any discussions with staff, you**
11 **and your attorneys --**

12 A No.

13 **Q -- did not?**

14 A Right, we did not.

15 **Q Okay. So, going back to something you'd**
16 **mentioned earlier. You said you get -- in terms**
17 **of income you get \$500,000.00 a year from rental**
18 **income?**

19 A Yeah, more or less. I don't remember
20 exactly, but more or less something like that,
21 yeah.

22 **Q Okay. So, approximately 500,000 from**
23 **rental income?**

24 A Something like that, yeah.

25 **Q And that's from the properties you**

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1 **mentioned, the 140-22 Beech Avenue, 5735 Lawrence**
2 **Street and --**

3 A And, yeah, a variety of other rental
4 properties.

5 **Q When you say, "A variety of other rental**
6 **properties" --**

7 A There's one two-family, three-family,
8 you know, like investment properties.

9 **Q That's the other five properties --**

10 A Yes.

11 **Q -- that you mentioned earlier?**

12 A Yeah.

13 **Q And just so we're clear, you didn't give**
14 **me any addresses for those properties?**

15 A No. You need address? I can give it to
16 you now.

17 **Q Sure.**

18 A 6398 Wetherole Street,
19 W-E-T-H-E-R-O-L-E, Wetherole Street. 6402
20 Wetherole Street and 130 -- 133-54 Avery Avenue.

21 **Q Avery?**

22 A Avery -- yeah, Avery Avenue. And 4344
23 Colden Street. 153-08 Peck Avenue.

24 **Q I'm sorry, what was that?**

25 A Peck, P-E-C-K, Peck Avenue.

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1 **Q Okay.**

2 A And there is another three, four, 30--
3 yeah, that's -- that's it, yeah.

4 **Q And for 5735 Lawrence Street, is that an**
5 **apartment building or is that a --**

6 A It's apartment building.

7 **Q Do you own one unit in that building or**
8 **multiple units or the whole building?**

9 A I build the whole building.

10 **Q Okay.**

11 A And I think I just -- right now I own,
12 like, five residential units, one commercial unit.

13 **Q In that building?**

14 A Yeah. That building is six units.

15 **Q That building is?**

16 A It's only six units.

17 **Q So, you own all six units?**

18 A I own five, plus one commercial. I had
19 one commercial I sold to other people.

20 **Q Okay. And the \$500,000.00 --**
21 **approximate \$500,000.00 a year rental income,**
22 **that's from all of those properties you just**
23 **listed?**

24 A Yeah.

25 **Q And the rent that you collect from those**

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1 **properties, where does that money go into?**

2 A That's pay my expenses and everything.

3 **Q That's not what I'm asking. I'm asking,**
4 **the rent that you collect from the tenants --**

5 A Yeah.

6 **Q -- where does that money get deposited**
7 **into? What bank or what bank accounts?**

8 A Oh, bank account. It's mainly for
9 the -- paying to the mortgage, all the mortgage,
10 you know, because all these property they all
11 carry their own mortgage. So, you know, each --
12 each month, you know, we pay -- we pay a lot of
13 mortgage on those properties.

14 **Q Okay. But that money gets deposited**
15 **into -- does it get deposited into a bank account**
16 **in you or your wife's name? Or does it get**
17 **deposited into a account in the name of a company**
18 **or does it get deposited into -- where does that**
19 **money get deposited in it?**

20 A You see all these entities they own --
21 they own all these properties. So, when we get
22 the rental money, if it's a check we just pay into
23 the -- you know, deposit into the company account
24 and it pay for the mortgage. And the -- the rest
25 of the money because it's, you know, if the tenant

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1 pays cash we, basically, you know, provide it to
 2 the job site. Job site every day needed like
 3 petty cash every day. So, we provided that and
 4 that's -- you know, that's what we -- we've been
 5 doing if we have some extra we don't need.
 6 **Q So, how much of that \$500,000.00 is paid**
 7 **in cash and how much of it is in checks?**
 8 A I -- I -- I never track that and it's --
 9 you know, every -- every month is different. I
 10 cannot just tell out of my memory.
 11 **Q Okay. So, the -- you said the buildings**
 12 **or units are owned by entities?**
 13 A Yes.
 14 **Q What entities are they owned by?**
 15 A Like, Shangri-La Green, Shangri-La 9E,
 16 9F, you know, they all own entities.
 17 **Q They all own units?**
 18 A Yes.
 19 **Q Okay. And were any of your -- any of**
 20 **the entities that's affiliated with you or your**
 21 **wife, were any of those entities paid for work --**
 22 **for work done other than work done or services**
 23 **provided to the Eastern Mirage project or the**
 24 **Eastern Emerald project?**
 25 A No. They're just for the projects.

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1 **Q And for the Racanelli Construction**
 2 **Group, do you know how many employees work at the**
 3 **Racanelli Construction Group?**
 4 A I don't know.
 5 **Q Do you know how many Perini -- how many**
 6 **employees work at the Perini company --**
 7 **construction company?**
 8 A I don't have that number.
 9 **Q Do you know an individual by the name of**
 10 **Walter Verfenstein?**
 11 A Yeah.
 12 **Q Who's Walter Verfenstein?**
 13 A Xi Verfenstein's, her husband.
 14 **Q Has he ever done any work related to**
 15 **either the Eastern Mirage project or the Eastern**
 16 **Emerald project?**
 17 A Yes.
 18 **Q What work has he done and for which**
 19 **project?**
 20 A He was, basically, help us to, like,
 21 promote the project.
 22 **Q Promote the project, which project?**
 23 A Second project, Eastern Emerald project.
 24 **Q And who was he promoting the Eastern**
 25 **Emerald project to?**

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1 A He's, basically, go back to the -- to
 2 China and working with those agent, Chinese agent
 3 to, talk with them about the project and
 4 everything.
 5 **Q And that's on the Eastern Emerald**
 6 **project?**
 7 A Eastern Emerald project, yes.
 8 **Q And you mentioned your sister earlier,**
 9 **Qiu Xing Xia.**
 10 A Yeah. Yeah. Yeah.
 11 **Q Does she ever get paid from any of your**
 12 **affiliated entities for any work done for either**
 13 **the Eastern Emerald project or the Eastern Mirage**
 14 **project?**
 15 A She's also a civil engineer and she got
 16 paid \$5,000.00 per month from Fleet Financial
 17 Group.
 18 **Q And is that the only money that she has**
 19 **received from --**
 20 A Yes.
 21 **Q -- you or your wife's affiliated**
 22 **entities?**
 23 A Yes.
 24 **Q 5,000 a month for what time period?**
 25 A It's been a while. It's, you know, from

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1 the project -- I think it's 2000 -- I don't
 2 remember exactly what year, but it's probably like
 3 2014, '15.
 4 **Q And was that in connection with the**
 5 **Eastern Emerald project or the Eastern Mirage**
 6 **project?**
 7 A Both projects.
 8 BY MS. WEINSTOCK:
 9 **Q Was she an employee or a consultant?**
 10 A Employee.
 11 **Q And did she get paid through ADP?**
 12 A Yes.
 13 BY MS. HAN:
 14 **Q And you mentioned earlier that there's**
 15 **five percent left to complete in the Eastern**
 16 **Mirage project.**
 17 A Yes.
 18 **Q What's left to complete?**
 19 A All the miscellaneous items.
 20 **Q I'm sorry?**
 21 A Miscellaneous items. No major items.
 22 Right now the electrical is done, plumbing is done
 23 and -- yeah. And EP is done. So, it's, you know,
 24 right now all the marble, everything in place. We
 25 just waiting for the plumbing sign off and then